

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:270
ANSWERED ON:07.12.2001
SANCTIONS IMPOSED BY JAPAN
AKHILESH SINGH

Will the Minister of FINANCE be pleased to state:

- (a) the details of the sanctions imposed by Japan on India in the year 1998;
- (b) the sectors affected due to imposition of these sanctions and the extent of loss suffered as a result thereof; and
- (c) the remedial steps taken by the Government ?

Answer

FINANCE MINISTER (SHRI YASHWANT SINHA)

(a),(b)&(c): A statement is laid on the Table of the House.

Statement as referred to in reply to Lok Sabha Starred Question No. 270 to be answered on 7.12.2001 regarding sanctions imposed by Japan

(a) In May 1998, the Government of Japan had announced the following measures :

1. Freezing of Grant aid for new projects except emergency and humanitarian aid and Grant Assistance for Grassroots Projects.
2. Freezing of Yen loan for new projects.
3. The Government of Japan cautiously examined the loans extended to India by international financial institutions.
4. Cancellation of Meeting of India Development Forum in Tokyo on June 30 - July 1, 1998.

(b & c) During the period of sanctions, Japanese assistance to major on-going projects and Japanese contributions in the area of emergency and humanitarian needs, such as assistance provided at the time of the Gujarat Earthquake, grants for Pulse Polio Immunization Programme, as well as grants for various grassroots projects continued. The sanction did not affect the ongoing projects and Technical Cooperation Schemes of Japan and the post sanctions years recorded the highest level of disbursement at JY 96.742 billion in 1999-2000 against the disbursement level at JY 64.58 billion in 1996-97. In terms of bilateral ODA inflow to India, the assistance from Japan is the highest even during the period of sanctions.

New commitments of Japanese ODA to India registered a decline in terms of assistance pledged. The commitment of Japanese ODA to India declined from JY 132.725 billion in 1997-98 (pre sanction year) to JY 11.573 billion in 1998-99 committed as second tranche to Bakreshwar Thermal Power Project with nil figure during the year 1999-2000. An amount of JY 18.926 billion was pledged as second tranche of loan for the ongoing MRTS project of DMRC and Simhadri Thermal Power Project of NTPC during FY 2000-2001.

During the period of sanctions, those projects which sought Japanese assistance were advised to tap funds from other donors or find out alternate funding arrangements so that the projects implementation do not suffer. The economic measures have since been discontinued w.e.f. 26th October, 2001 by the Government of Japan.